## REMARKS

Claims 1-40 have been deleted.

Claims 41- 44 have been added. Support for claim 41 is found, for example, in Figure 4 (two levels of serial selection of subsets of connections, and a shaper acting on the finally selected traffic before transmission over the single connection). Support for claim 42 is found, for example, in Figure 4 (component VCCs, VP cell stream). Claims 43 and 44 contain similar limitations to claims 41 and 42, respectively. No new subject matter has been added.

Claims 41- 44 remain in the application.

The Examiner has rejected claims 1-40 under 35 U.S.C. 102(b) as being anticipated by U.S. Patent 5,850,399 (Ganmukhi). Claims 1-40 have been deleted.

New claim 41 includes the limitation of applying a shaper to traffic from the virtual connection which has been selected for transmission into the outgoing single virtual connection. This is a limitation not taught by Ganmukhi. The Examiner has cited level 1 of Figure 1 of Ganmukhi as teaching the limitation of previous claim 8, which is similar to this limitation of new claim 41. However, the shaper 20 taught by Ganmukhi in Figure 1 shapes traffic selected from only one of the first subsets of traffic, namely the CBR traffic (element 10). As the Examiner states, this shaper is within the first level of hierarchical arbitration, and therefore does not act on traffic which has undergone a hierarchical series of selection/arbitration ("serially selecting at least two sets", to use the language of present claim 41). The shaper acts on traffic which has only undergone one level of arbitration, selection of one of the CBR queues.

In contrast, shaping in claim 41 of the present application occurs after all arbitration, and is performed immediately prior to transmission over the single outgoing virtual connection. In Figure 1 of Ganmukhi, this would have to occur on the output 100, which it clearly does not. Since Ganmukhi does not teach each and every element of claim 41, the Applicant respectfully submits that claim 41 is not anticipated by Ganmukhi.

Claim 42 is dependent on claim 41 and includes the limitations discussed above. Claims 43 and 44 include similar limitations to those of claim 41 discussed above. The Applicant therefore respectfully submits that claims 42-44 are not anticipated by Ganmukhi.

Serial No. 10/658,453 Art Unit 2616 Confirmation No. 2235

In view of the foregoing, it is believed that the claims as amended herein are in condition for allowance. Reconsideration and action to this end is respectfully requested.

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